

Message Text

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ACTION AID-05

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5849

C O N F I D E N T I A L NEW DELHI 16977

JOINT EMBASSY/USAID MESSAGE

E. O. 11652: NGDS

TAGS: EAID, IN

SUBJECT: TITLE II FOR FY 76

REF: STATE 276624

SUMMARY: WE BELIEVE IT WOULD BE A SERIOUS MISTAKE TO REDUCE THE
TITLE II PROGRAM FOR INDIA FROM THIS YEAR'S LEVEL. THE
HUMANITARIAN NEED HERE IS GREAT; THE GOI WANTS NO REDUCTION;
THE PROGRAM
HERE IS WELL-MANAGED AND EFFECTIVE; AND THE PROGRAM
IS ALREADY OPERATING AT 20PERCENT LESS THAN THE FY 74 LEVEL,
FURTHER, WE PERCEIVE THAT A REDUCTION WILL HARM THE CHANCES OF
EFFECTING A PHASEOVER FROM SCHOOL FEEDING TO MATERNAL AND CHILD
HEALTH. ACTION REQUESTED: RECONSIDERATION. END SUMMARY.

1. WE APPRECIATE THE GUIDANCE (REFTEL) ON THE FY 76 RECOMMENDED

LEVELS AND APPRECIATE FULLY THAT THE INDIA TITLE II PROGRAM,
EVEN AS THUS REDUCED FROM ITS PRESENT LEVEL WOULD REMAIN THE
LARGEST THE USG HAS. NONETHELESS, IN OUR ASSESSMENT
THE FOLLOWING FACTORS STRONGLY MILITATE AGAINST ANY RE-
DUCTION IN THE PROGRAM, OUR ONE ONGOING PROGRAM HERE OF REAL
VALUE, PARTICULARLY IN THE CONTEXT OF THE RECENT IMPROVE-
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MENT IN INDO/US POLITICAL RELATIONS.

(A) BY ANY STANDARD, INDIA WOULD HAVE NO RANK HIGH AMONG THE WORLD'S TRULY NEEDY COUNTRIES, PARTICULARLY AS REGARDS FOOD. THE HUMANITARIAN NEED HERE IS, TO PUT IT MILDLY, GREAT AND GROWING.

(B) THERE IS NO QUESTION BUT THAT THE GOI DOES NOT WANT ANY REDUCTION IN THE PROGRAM. EARLIER INDICATIONS THAT THE GOI DESIRED A PHASE-OUT ARE NOW OBSOLETE; INDEED, WE UNDERSTAND FROM INDIAN SOURCES THAT DURING WOENT MEETING OF INDIAN FOREIGN SECRETARY AND AMBASSADOR KAUL WITH THE SECRETARY, AMBASSADOR KAUL ASKED FOR AN INCREASE IN TITLE II ASSISTANCE.

(C) WE CONSIDER THE INDIAN PROGRAM, PARTICULARLY THE PORTION ADMINISTERED BY CARE (I. E., WHERE THE REDUCTION WOULD COME) TO BE VERY MANAGED AND EFFECTIVE. (INDEED, CARE/INDIA IS CAPABLE OF HANDLING MORE RATHER THAN LESS COMMODITIES.) BOTH THE CENTRAL GOVERNMENT AND THE STATES ARE MAKING APPROPRIATE CONTRIBUTIONS AND COOPERATING IN PROGRAM IMPLEMENTATION. THERE IS, TO US, AN ANOMALY IN THE USG'S REDUCING SUCH A PROGRAM.

(D) THE INDIA PROGRAM IS ALREADY OPERATING AT A 20 PERCENT LOWER FIGURE FOR FY 75 AS COMPARED WITH FY 74. PARTICULARLY IN LIGHT OF THE ABOVE CONSIDERATIONS, WE BELIEVE THAT IS A COMPELLING CASE FOR CONTINUED OPERATION AT THIS ALREADY SIGNIFICANTLY REDUCED LEVEL - I. E., WITH NO FURTHER REDUCTIONS - AT LEAST THROUGH FY 76 AND MORE LIKELY FOR SOME YEARS TO COME. (OUR FY 77 AER WILL SET FORTH OUR LONG-RANGE TITLE II THINKING.)

2. WE ARE FURTHER RELUCTANT, FROM THE POINT OF VIEW OF COMPOSITION OF THE PROGRAM, TO SEE ANY REDUCTION NEXT YEAR. IN THE DISCUSSIONS ALREADY UNDER WAY HERE BETWEEN CARE AND THE GOI CONCERNING NEXT YEAR'S PROGRAM, THERE HAS BEEN CONSIDERABLE GOI HESITATION ABOUT PROCEEDING WITH THE EARLIER DISCUSSED TRANSITION (PHASEOVER) PLAN FROM SCHOOL FEEDING TO MCH. CARE HAS TRIED, WITH USAID ENCOURAGEMENT, TO TAKE A FIRM STAND ON THIS. WE ARE PRESENTLY UNCERTAIN HOW (IF AT ALL) THE ISSUE WILL BE RESOLVED TO THE SATISFACTION OF ALL CONCERNED PARTIES; HOWEVER, IT WILL OBVIOUSLY MAKE IT HARDER FOR THE GOI TO SEE MATTERS OUR WAY ON THIS ISSUE IF AT THE SAME TIME WE'RE ASKING THE GOI TO ACCEPT AN OVERALL REDUCED PROGRAM - I.E., IF THE LOSS TO SCHOOL

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FEEDING ISN'T OFFSET BY A GAIN ELSEWHERE.

3. THE CARE/GOI TALKS WILL CONTINUE HERE WITHIN -WE FULLY EXPECT - THE FRAME OF REFERENCE OF A FY 76 PROGRAM AT THE FY 75 LEVEL. THE OUTCOME, WE EXPECT, WILL BE A CARE RECOMMENDATION TO US FOR A PROGRAM AT THAT LEVEL, WHICH WE WOULD EXPECT TO ENDORSE TO AID/W. WE RECOMMEND THAT BEFORE THEN YOU RECONSIDER THE IDEA OF A REDUCTION.

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